

## **Part 13**

### **Professional Services Limited Liability Partnerships**

#### **48-1d-1301 Definitions.**

As used in this part:

- (1) "Professional services partnership" means a limited liability partnership organized in accordance with this part to provide professional services.
- (2) "Regulating board" means the entity organized pursuant to state law that licenses and regulates the practice of the profession that a limited liability partnership is organized to provide.

Enacted by Chapter 412, 2013 General Session

#### **48-1d-1302 Application of this part.**

If a conflict arises between this part and another provision of this chapter, this part controls.

Enacted by Chapter 412, 2013 General Session

#### **48-1d-1303 Name limitations.**

- (1) The name of a domestic professional services partnership and of a foreign professional services partnership authorized to transact business in this state, in addition to complying with Sections 48-1d-1105 and 48-1d-1206:
  - (a) may not contain language stating or implying that it is formed for a purpose other than that authorized by Section 48-1d-1304; and
  - (b) must conform with any rule made by the regulating board having jurisdiction over a professional service to be rendered by the professional service partnership.
- (2) Sections 48-1d-1105 and 48-1d-1206 do not prevent the use of a name otherwise prohibited by those sections if the name is:
  - (a) the personal name of an individual partner or individual former partner of the professional services partnership; or
  - (b) the name of an individual who was associated with a predecessor of the professional services partnership.

Enacted by Chapter 412, 2013 General Session

#### **48-1d-1304 Providing a professional service.**

- (1) Subject to Section 48-1d-1305, a professional services partnership may provide a professional service in this state only through an individual licensed or otherwise authorized in this state to provide the professional service.
- (2) Subsection (1) does not:
  - (a) require an individual employed by a professional services partnership to be licensed to perform a service for the professional services company if a license is not otherwise required;
  - (b) prohibit a licensed individual from providing a professional service in the individual's professional capacity although the individual is a partner, employee, or agent of a professional services partnership; or
  - (c) prohibit an individual licensed in another state from providing a professional service for a professional services partnership in this state if not prohibited by the regulating board.

Enacted by Chapter 412, 2013 General Session

**48-1d-1305 Limit of one profession.**

- (1) A professional services partnership organized to provide a professional service under this part may provide only:
  - (a) one specific type of professional service; and
  - (b) services ancillary to the professional service described in Subsection (1)(a).
- (2) A professional services partnership organized to provide a professional service under this part may not engage in a business other than to provide:
  - (a) the professional service that it was organized to provide; and
  - (b) services ancillary to the professional service described in Subsection (2)(a).
- (3) Notwithstanding Subsections (1) and (2), a professional services partnership may:
  - (a) own real and personal property necessary or appropriate for providing the type of professional service it was organized to provide; and
  - (b) invest the professional services partnership's money in one or more of the following:
    - (i) real estate;
    - (ii) mortgages;
    - (iii) stocks;
    - (iv) bonds; or
    - (v) another type of investment.

Amended by Chapter 189, 2014 General Session

**48-1d-1306 Activity limitations.**

A professional services partnership may not do anything that an individual licensed to practice the profession that the professional services partnership is organized to provide is prohibited from doing.

Enacted by Chapter 412, 2013 General Session

**48-1d-1307 This part does not limit regulating board.**

This part does not restrict the authority or duty of a regulating board to license an individual providing a professional service or the practice of the profession that is within the jurisdiction of the regulating board, notwithstanding that the individual:

- (1) is a partner or employee of a professional services partnership; or
- (2) provides the professional service or engages in the practice of the profession through a professional services partnership.

Enacted by Chapter 412, 2013 General Session

**48-1d-1308 Partner of a professional services partnership.**

A professional services partnership organized to provide a professional service:

- (1) may include a partner or employee who is authorized under the laws of the jurisdiction where the partner or employee resides to provide a similar professional service;
- (2) may include a partner who is not licensed or registered by the state to provide the professional service to the extent allowed by the applicable licensing or registration act relating to the professional service; and

- (3) may render a professional service in this state only through a partner or employee who is licensed or registered by this state to render the professional service.

Enacted by Chapter 412, 2013 General Session

**48-1d-1309 Restriction on transfer by partner.**

- (1) Except as provided in Subsections (2) and (3), a partner of a professional services partnership may sell or transfer the partner's interest in the professional services partnership only to:
  - (a) the professional services partnership; or
  - (b) an individual who is licensed or registered by this state to provide the same type of professional service as the professional service for which the professional services partnership is organized, or who otherwise satisfies the requirements of Subsection 48-1d-1308(1) or (2).
- (2) Upon the death or incapacity of a partner of a professional services partnership, the partner's interest in the professional services partnership may be transferred to the personal representative or estate of the deceased or incapacitated partner.
- (3) The person to whom an interest is transferred under Subsection (2) may continue to hold the interest for a reasonable period, but may not participate in a decision concerning the providing of a professional service.

Enacted by Chapter 412, 2013 General Session

**48-1d-1310 Purchase of interest upon death, incapacity, or disqualification of member.**

- (1) Subject to this part, one or more of the following may provide for the purchase of a partner's interest in a professional services partnership upon the death, incapacity, or disqualification of the partner:
  - (a) the partnership agreement; or
  - (b) a private agreement.
- (2) In the absence of a provision described in Subsection (1), a professional services partnership shall purchase the interest of a partner who is deceased, incapacitated, or no longer qualified to own an interest in the professional services partnership within 90 days after the day on which the professional services partnership is notified of the death, incapacity, or disqualification.
- (3) If a professional services partnership purchases a partner's interest under Subsection (2), the professional services company shall purchase the interest at a price that is the reasonable fair market value as of the date of death, incapacity, or disqualification.
- (4) If a professional services partnership fails to purchase a partner's interest as required by Subsection (2) at the end of the 90-day period described in Subsection (2), the following persons may bring an action in a court with jurisdiction under Title 78A, Judiciary and Judicial Administration, to enforce Subsection (2):
  - (a) the personal representative of a deceased partner;
  - (b) the guardian or conservator of an incapacitated partner; or
  - (c) the disqualified partner.
- (5) A court in which an action is brought under Subsection (4) may:
  - (a) award the person bringing the action the reasonable fair market value of the interest; or
  - (b) within the court's jurisdiction, order the liquidation of the professional services partnership.
- (6) If a person described in Subsections (4)(a) through (c) is successful in an action under Subsection (4), the court shall award the person reasonable attorney's fees and costs.

Amended by Chapter 401, 2023 General Session